

PLACER COUNTY
REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Rich Colwell, Chief Assistant CEO – Redevelopment Director
Rae James, Deputy Director
DATE: September 12, 2006
SUBJECT: Adopt a Resolution Authorizing a Loan Agreement with Foothills Habitat for Humanity to Develop Two Affordable Housing Units, and Authorize the Chief Assistant Chief Assistant CEO – Redevelopment Director or Designee to Execute Any Related Documents, Subject to the Review of Agency Counsel.

Rich Colwell

ACTION REQUESTED

Adopt a resolution authorizing a loan agreement with Foothills Habitat for Humanity (Habitat) to develop two affordable housing units, and authorize the Chief Assistant CEO – Redevelopment Director or designee to execute any related documents, subject to the review of Agency counsel.

BACKGROUND

Habitat intends to acquire land to produce two detached, single-family housing units for low-income households in unincorporated Placer County. The subject parcel is part of a larger subdivision of land owned by Ms. Catherine Troka. Ms. Troka has agreed to sell the land to Habitat for a below market price of \$60,000. The new subdivision is known as the Rock Saddle Subdivision. The location is generally south of Rocklin Road, between Interstate 80 and Sierra College Blvd. (See attached map.)

On December 1, 2005, the Placer County Redevelopment Agency Loan Committee (Loan Committee) approved a loan to Habitat for \$95,749 to finance the acquisition of lots 1 and 2 of the Rock Saddle Subdivision, and to pay Habitat's share of the infrastructure improvements. With final estimates, the cost of Habitat's share of the infrastructure increased from \$35,749 to \$128,857, or an additional \$93,108. Building permits and fees are estimated at approximately \$50,000 for both houses. Habitat now needs a total loan of \$238,857 to start construction - \$60,000 for the land, \$128,857 for infrastructure and \$50,000 for impact fees. This request exceeds the Loan Committee's authority.

The proposed loan terms are 30 years at 2% interest with payments deferred for five years or until transferred to a low-income owner occupant. Each parcel will have a promissory note, deed of trust and 45-year affordable housing covenant. When Habitat sells the homes, each qualified low-income household will assume the deferred second deed of trust at 2% interest for 30 years.

This loan will be funded from Sunset Industrial Project Area Housing Set-Aside funds. Approval of this action includes a finding that housing set-aside funds spent outside the Sunset Industrial Project Area are of benefit to the project area.

ENVIRONMENTAL STATUS

A mitigated negative declaration for the Rock Saddle Subdivision (EIAQ – 3526) was filed on March 27, 2001.

FISCAL IMPACT

Sufficient funds are available in the Sunset Industrial Project Area Housing Set-Aside current budget to fund the total loan request of \$238,857. There is no impact on the County General Fund.

RECOMMENDATION

Adopt a resolution authorizing a loan agreement with Habitat to develop two affordable housing units, and authorize the Chief Assistant CEO – Redevelopment Director or designee to execute any related documents, subject to the review of Agency counsel.

Attachment

cc: Sabrina Thompson, Agency Counsel

**Before the Placer County
Redevelopment Agency Board of Directors**
County of Placer, State of California

In the matter of:

**ADOPT A RESOLUTION AUTHORIZING A LOAN
AGREEMENT WITH FOOTHILLS HABITAT FOR
HUMANITY TO DEVELOP TWO AFFORDABLE
HOUSING UNITS, AND AUTHORIZE THE CHIEF
ASSISTANT CEO-REDEVELOPMENT DIRECTOR OR
DESIGNEE TO EXECUTE ANY RELATED DOCUMENTS,
SUBJECT TO THE REVIEW OF REDEVELOPMENT
AGENCY COUNSEL.**

Resol. No:

Ord. No:

First Reading:

The following Resolution was duly passed by the Redevelopment Agency Board

of the County of Placer at a regular meeting held September 12, 2006

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Agency Board

BE IT RESOLVED by the Placer County Redevelopment Agency as follows:

WHEREAS, the Board of Supervisors (the "Board") of the County of Placer (the "County"), by Ordinance No. 4835-B adopted on June 24, 1997 (the "Adoption Ordinance"), has adopted the Redevelopment Plan for the Sunset Industrial Project Area (the "Project Area") as amended (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Agency of the County of Placer (the "Agency") is vested with responsibility pursuant to the Community Redevelopment Law (Part 1 of Division 24 of Health and Safety Code of the State of California) (the "Law") to implement the Redevelopment Plan; and

WHEREAS, the Agency, in causing redevelopment of the Project Area, seeks to make housing available at affordable housing cost to very low, low and moderate income households; and

WHEREAS, in Section 1.k of the Adoption Ordinance, the Board found that provisions of affordable housing outside the Project Area will be of benefit to the Project Area as the Project Area contains very little if any property zoned for residential use; and

WHEREAS, Foothills Habitat for Humanity (the "Operator") is developing on certain real property (the "Property") located outside the Project Area which it will purchase from the property owner for the purposes of creating two housing units affordable to low income households (the "Development"); and

WHEREAS, the Development is considered housing as set forth in Health and Safety Code Section 37912(k); and

WHEREAS, the Agency desires to loan the Development Two Hundred Thirty Eight Thousand Eight Hundred Fifty Seven Dollars and 00/100, (\$238,857) (the "Agency Loan") from the Agency's Low and Moderate Income Housing Fund (the "Housing Fund"); to fund the installation of roads and infrastructure and payment of permits and fees; and

WHEREAS, the Development will benefit the Sunset Industrial Project Area and serve major goals and objectives of the Redevelopment Plan by increasing the amount of housing available at affordable housing cost in the community, thereby decreasing the market pressure on the supply of affordable housing in the community; and

WHEREAS, the proposed development will be consistent with the implementation plan adopted by the Agency pursuant to Health and Safety Code Section 33490 (the "Implementation Plan"); and

WHEREAS, the Agency staff has prepared an Affordable Housing Covenant and Regulatory Agreement between the Agency and Foothills Habitat for Humanity (the "Regulatory Agreement") which provides that the Property shall be operated as affordable ownership housing for low income households for 45-years as required by the California Community Redevelopment Law; and

WHEREAS, future lenders for the Development may require subordination of the Regulatory Agreement and the Agency Loan to their loans; and

WHEREAS, by staff report accompanying this Resolution and incorporated into this Resolution by this reference (the "Staff Report"), the Agency has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Agency hereby finds and determines that the above recitals are true and correct and serve as the basis, in part, for the findings and actions of the Agency set forth below.

BE IT FURTHER RESOLVED that the Agency finds that the Agency Loan is consistent with the Implementation Plan and of benefit to the Sunset Industrial Project Area.

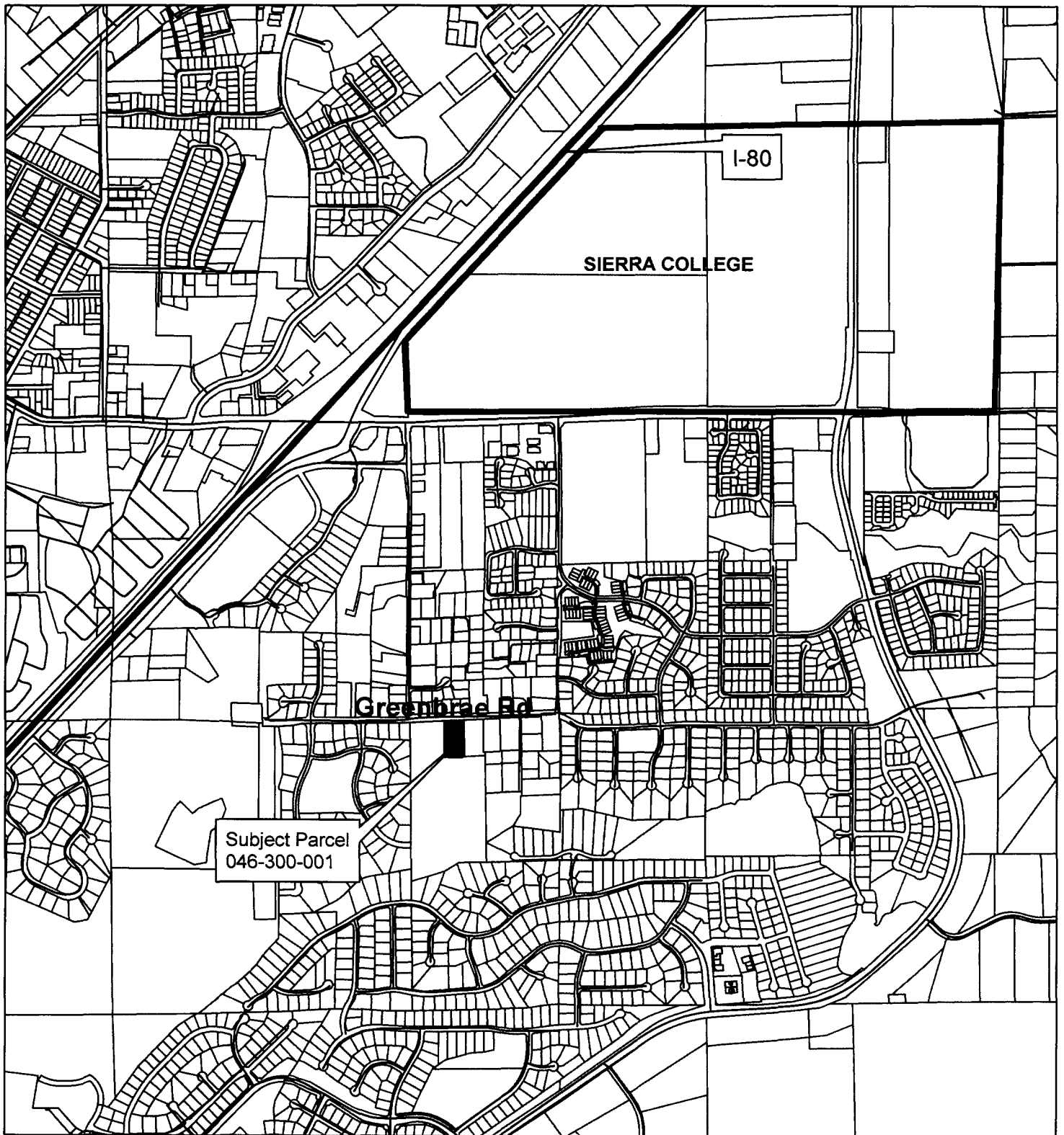
BE IT FURTHER RESOLVED that the Agency hereby approves the Agency Loan and allocates up to Two Hundred Thirty Eight Thousand Eight Hundred Fifty Seven Dollars and 00/100, (\$238,857) of Sunset Redevelopment Project Area Housing Set-Aside Fund monies to fund the Agency Loan for acquisition of land, installation of roads and infrastructure and payment of permits and fees.

BE IT FURTHER RESOLVED, that the Agency hereby approves subordination of the Agency Loan and Regulatory Agreement to future financing if the Agency's Chief Assistant CEO – Redevelopment Director or designee is satisfied that the requirements of California Health and Safety Code Section 33334.14(a) have been met, and authorizes the Chief Assistant CEO - Redevelopment Director or designee to execute subordination agreements on behalf of the Agency in a form approved by the Agency General Counsel, such approval to be evidenced by the execution of such agreement, and provided such agreements give the Agency notice and time to cure any borrower defaults under the senior lender loan documents.

BE IT FURTHER RESOLVED, that the Agency hereby authorizes the Chief Assistant CEO - Redevelopment Director or designee to execute the Regulatory Agreement, on behalf of the Agency, subject to the review of Agency counsel.

BE IT FURTHER RESOLVED, that the Agency hereby authorizes Chief Assistant CEO - Redevelopment Director or designee to take such other actions and execute such other documents as are appropriate to effectuate the intent of this Resolution and the Regulatory Agreement.

BE IT FURTHER RESOLVED that this Resolution shall take immediate effect upon adoption.



Habitat for Humanity
APN: 046-300-001

